

# Senate Study Bill 1107 - Introduced

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON PETERSEN)

## A BILL FOR

1 An Act relating to the regulation of pharmacy benefits managers  
2 and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 510B.3, subsection 1, Code 2015, is  
2 amended to read as follows:

3 1. The commissioner shall enforce the provisions of this  
4 chapter. After notice and hearing, the commissioner may impose  
5 any or all of the sanctions set out in section 507B.7 and may  
6 suspend or revoke a pharmacy benefits manager's certificate of  
7 registration as a third-party administrator pursuant to chapter  
8 510, upon finding that the pharmacy benefits manager violated  
9 any of the requirements of this chapter, or of chapter 510  
10 pertaining to third-party administrators, or that the pharmacy  
11 benefits manager is not competent, trustworthy, financially  
12 responsible, or of good personal and business reputation.

13 Sec. 2. Section 510B.3, Code 2015, is amended by adding the  
14 following new subsections:

15 NEW SUBSECTION. 1A. A pharmacy benefits manager is subject  
16 to the commissioner's authority to conduct an examination  
17 pursuant to chapter 507 and to chapter 507B relating to unfair  
18 insurance trade practices.

19 NEW SUBSECTION. 3. Failure of a pharmacy benefits manager  
20 to respond to inquiries from the commissioner in accordance  
21 with an investigation to determine compliance with this chapter  
22 shall result in revocation of the pharmacy benefits manager's  
23 certification as a third-party administrator as provided in  
24 section 510B.2.

25 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
26 immediate importance, takes effect upon enactment.

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with  
29 the explanation's substance by the members of the general assembly.

30 This bill relates to the regulation of pharmacy benefits  
31 managers.

32 The bill provides that after notice and hearing, the  
33 commissioner of insurance may impose any or all of the  
34 sanctions set out in Code section 507B.7 and may suspend  
35 or revoke a pharmacy benefits manager's certificate of

1 registration as a third-party administrator, upon finding that  
2 the pharmacy benefits manager violated any of the requirements  
3 of Code chapter 510B (regulation of pharmacy benefits  
4 managers), 510 (regulation of third-party administrators),  
5 or 507B (regulation of insurance trade practices). The bill  
6 provides that a pharmacy benefits manager is subject to the  
7 commissioner's authority to conduct an examination pursuant to  
8 Code chapter 507 and to Code chapter 507B.

9     The bill also provides that failure of a pharmacy benefits  
10 manager to respond to inquiries from the commissioner in  
11 accordance with an investigation to determine compliance under  
12 Code chapter 510B shall result in revocation of the pharmacy  
13 benefits manager's required certification as a third-party  
14 administrator.

15     The bill is effective upon enactment.